

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE NOTICE OF PURCHASED GAS)
ADJUSTMENT FILING OF MIKE) CASE NO. 93-400-CC
LITTLE GAS COMPANY, INC.)

ORDER

On December 17, 1993, in Case No. 93-400, the Commission approved the merger of Elzie Neeley Gas Company, Inc. ("Elzie Neeley") and Phelps Gas Company, Inc. ("Phelps") into Mike Little Gas Company, Inc. ("Mike Little") and provided for the adjustment of rates of the merged companies on a quarterly basis in accordance with the provisions of Mike Little's gas cost adjustment ("GCA") clause.

On October 25, 2000, Mike Little filed an interim gas cost adjustment ("GCA") to be effective December 1, 2000. In support of its interim filing to pass along a significant increase in wholesale gas cost, Mike Little stated that it had experienced a dramatic rise in its natural gas commodity price from its supplier, Equitable Energy.

After reviewing the record in this case and being otherwise sufficiently advised, the Commission finds that:

1. Mike Little's notice proposes revised rates designed to pass on its expected wholesale change in gas cost to its customers. Mike Little's proposed expected gas cost ("EGC") for the quarter is \$7.9484 per Mcf, an increase of \$2.2450 per Mcf from the previous EGC of \$5.7034.

2. Mike Little's notice sets out no current quarter refund adjustment ("RA"), and it had no RAs remaining from previous quarters.

3. Mike Little's notice sets out no current quarter actual adjustment ("AA").

4. These adjustments produce a gas cost recovery rate ("GCR") of \$7.8611 per Mcf, \$2.245 per Mcf more than the prior rate of \$5.6161.

5. The rate adjustments in the Appendix to this Order are fair, just, and reasonable, in the public interest, and should be effective for gas supplied on and after December 1, 2000.

IT IS THEREFORE ORDERED that:

1. The rates proposed by Mike Little are approved.

2. The rates in the attached Appendix are fair, just, and reasonable and are effective for gas supplied on and after December 1, 2000.

3. Within 30 days of the date of this Order, Mike Little shall file with the Commission its revised tariffs setting out the rates authorized in this Order.

Done at Frankfort, Kentucky, this 28th day of November, 2000.

By the Commission

ATTEST:


Executive Director

APPENDIX

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE COMMISSION IN
CASE NO. 93-400-CC DATED NOVEMBER 28, 2000

The following rates and charges are prescribed for the customers in the area served by Mike Little Gas Company, Inc. All other rates and charges not specifically mentioned herein shall remain the same as those in effect under authority of this Commission prior to the date of this Order.

Monthly:

	<u>Base Rate</u>	<u>Gas Cost Recovery Rate</u>	<u>Total</u>
First 1 Mcf – Minimum Bill	\$2.8211	\$7.8611	\$10.6822
Over 1 Mcf	2.6040	7.8611	10.4651

RATES FOR CUSTOMERS FORMERLY SERVED BY
ELZIE NEELEY GAS COMPANY

Monthly

	<u>Base Rate</u>	<u>Gas Cost Recovery Rate</u>	<u>Total</u>
First 1 Mcf – Minimum Bill	\$3.4984	\$7.8611	\$11.3595
Over 1 Mcf	2.4658	7.8611	10.3269

RATES FOR CUSTOMERS FORMERLY SERVED BY PHELPS GAS COMPANY

Monthly

	<u>Base Rate</u>	<u>Gas Cost Recovery Rate</u>	<u>Total</u>
First 1 Mcf – Minimum Bill	\$4.3971	\$7.8611	\$12.2582
Over 1 Mcf	2.7670	7.8611	10.6281